



LEGISLATIVE FISCAL OFFICE  
Fiscal Note

Fiscal Note On: **SB 182** SLS 12RS 377  
Bill Text Version: **ORIGINAL**  
Opp. Chamb. Action:  
  
Proposed Amd.:  
Sub. Bill For.:

<b>Date:</b> April 11, 2012	6:24 PM	<b>Author:</b> NEVERS
<b>Dept./Agy.:</b> Education		
<b>Subject:</b> School Choice		<b>Analyst:</b> Mary Kathryn Drago

SCHOOLS OR INCREASE GF EX See Note Page 1 of 2  
Provides relative to school choice. (gov sig)

The proposed legislation creates the Parental School Choice Scholarship Program to be administered by the Department of Education. The legislation defines eligible student as any child required to attend school pursuant to R.S. 17:221. A participating school is defined as follows: 1) every public elementary and secondary school; 2) any BESE approved nonpublic school choosing to accept students; and 3) any BESE approved home study program that chooses to accept scholarship recipients. Beginning with the 2012-13 school year, an eligible student may choose to attend a participating school provided there is sufficient capacity regardless of school system boundaries. The Department of Education is required to determine student eligibility, match student to schools, and remit scholarship payments. The scholarship payment will be provided as follows: 1) to enroll in a public school the amount will be equal to the Minimum Foundation Program (MFP) per pupil allocation of the school system where the student is enrolled; 2) to enroll in a participating **continued on page 2**

EXPENDITURES	2012-13	2013-14	2014-15	2015-16	2016-17	5 -YEAR TOTAL
State Gen. Fd.	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE	
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
Annual Total						

REVENUES	2012-13	2013-14	2014-15	2015-16	2016-17	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	\$0	\$0	\$0	\$0	\$0	\$0
Annual Total	\$0	\$0	\$0	\$0	\$0	\$0

EXPENDITURE EXPLANATION

To the extent that eligible students who were not previously enrolled in a public school choose to participate in the Parental School Choice Scholarship Program and receive a scholarship funded through the Minimum Foundation Program (MFP) to attend a participating school, state general fund expenditures through the Minimum Foundation Program will increase by an average of \$5,035 per student. The total potential increase is indeterminable; the costs will depend on the number of students participating and the allocation of the MFP for the school district. The Department of Education has not been able to determine the potential increase in expenditures related to the expansion of the accountability system to include nonpublic schools and students. There will be an increase in cost for the administration of the accountability system, an increase in costs to administer assessments to nonpublic school students, and an increase for training provided to the nonpublic schools for the teacher evaluations.

The proposed legislation allows any child eligible to attend school in Louisiana, including students currently enrolled in nonpublic schools or home study programs, to receive a scholarship through the Minimum Foundation Program (MFP) to enroll in a participating school. For informational purposes, the FY 11-12 MFP state average per pupil share is \$5,035. Currently, there are approximately 9,000 home study students and 120,000 nonpublic school students. If students currently enrolled in nonpublic schools and home study programs participate in the program and receive scholarships, the Minimum Foundation Program will increase by an average of \$5,035 per student. For illustrative purposes, if 10% of these students were to participate, the increase in state general fund expenditures will be approximately \$65 million. If all of the home study students participated and 20% of the nonpublic school students participated, the increase in state general fund expenditures will be approximately \$166 million. If students currently attending public school participate and enroll in a public school, home study program or nonpublic school, it is anticipated that state expenditures through the MFP will not change significantly. However, in the event students attend schools outside of their home district, expenditures through the MFP could increase or decrease depending on the difference in the state per pupil share for the districts.

If a significant number of current public school students leave the public school systems to attend nonpublic schools or home study programs local school system expenditures may decrease. **continued page 2**

REVENUE EXPLANATION

There is no anticipated direct material effect on governmental revenues as a result of this measure.

Senate	Dual Referral Rules	House	
<input checked="" type="checkbox"/> 13.5.1 >= \$100,000 Annual Fiscal Cost {S&H}		<input checked="" type="checkbox"/> 6.8(F)1 >= \$500,000 Annual Fiscal Cost {S}	
<input type="checkbox"/> 13.5.2 >= \$500,000 Annual Tax or Fee Change {S&H}		<input type="checkbox"/> 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}	H. Gordon Monk Legislative Fiscal Officer



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CONTINUED EXPLANATION from page one:

Continued explanation of the purpose of the bill:

nonpublic school the amount will be equal to the state portion of the MFP per pupil allocation to the governing authority of the school system where the school is located; and 3) to enroll in a home study program the amount will be equal to the state portion of the MFP per pupil allocation to the governing authority of the school system where the school is located. All accountability tests will be administered to participating students. Any nonpublic school with an enrollment of 50 or more students and which receives state funds will be required to participate in the School and District Accountability System and meet the same certification requirements for teachers and administrators in public schools and be evaluated in the same manner established pursuant to R.S. 17:3881 through 3905.

Continued explanation of the expenditure impact of the bill:

**Note:** This fiscal note assumes that the scholarship amount provided to students attending public schools will be the state per pupil amount allocated to the school district. However, the legislation is not clear whether that scholarship amount would include the local per pupil share as well. If the legislation intends to include the local per pupil share for students to attend public schools, state expenditures will increase significantly (by \$3,494 per pupil).

Senate	<u>Dual Referral Rules</u>	House	
<input checked="" type="checkbox"/> 13.5.1 >= \$100,000 Annual Fiscal Cost {S&H}		<input checked="" type="checkbox"/> 6.8(F)1 >= \$500,000 Annual Fiscal Cost {S}	<u>H. Gordon Monk</u>
<input type="checkbox"/> 13.5.2 >= \$500,000 Annual Tax or Fee Change {S&H}		<input type="checkbox"/> 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}	H. Gordon Monk Legislative Fiscal Officer